

Undefinitized Contractual Action (UCA)

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Regulatory Guidance

- **DFARS 217.74**
- **AFFARS 5317.74**
- **AFMCFARS
5317.74**

Policy

- UCA shall be used only when:
 - negotiation of definitive contract action is not possible in sufficient time to meet Government's requirements
 - Government's interest demands contractor be given binding commitment so contract performance can begin immediately
- UCA shall be as complete and definite as practicable

Policy

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- Not-to-exceed (NTE) price and definitization schedule shall be established/included
- Management approval, via AFMC Form 224, required prior to issuance
- Approval authorizes issuance of letter contract, unpriced BOA order, or unpriced supplemental agreement

Program Types

- **Program Executive Officer (PEO)***
 - Mission-related programs assigned to a PEO by AF Acquisition Executive
 - Examples: Joint STARS, F-15
- **Designated Acquisition Commander (DAC)***
 - AFMC Major Programs not assigned to a PEO
 - Examples: C-130, C-141, U-2
- **Other Contracting**
 - Acquisitions in support of Major Programs
 - Examples: Operational Contracting, Non-PEO Replenishment Spares, A&AS

* See <https://pml.wpafb.af.mil/Systems/System.asp>

UCA Approval Levels

PEO or DAC Program

- $\leq$ \$5M.....Single Manager (redelegable)
- $>$ \$5M to $<$ \$50M.....PEO or DAC (redelegable)
- $\geq$ \$50M.....PEO or DAC

Other Contracting

- $\leq$ \$5M.....Single Manager (redelegable)
- $>$ \$5M to $<$ \$50M.....WR-ALC/CC (redelegable)
- $\geq$ \$50M.....WR-ALC/CC

Definitization Schedule

- **UCA shall contain schedule requiring definitization by the earlier of:**
 - **180 days after issuance of the action;* or**
 - **the date on which the amount of funds spent under the contract is more than 50% of the NTE***
- **Clause at DFARS 252.217-7027 or FAR 52.216-25, Contract Definitization, shall be included in contract document**

* See subsequent slide entitled "Contingency Waivers"

Obligation Limitation

- No more than 50% of NTE shall be obligated unless contractor submits “qualifying” proposal; if so, obligation rate may be increased to 75% of NTE if approved at level no lower than initial approval authority*
- Head of the Agency (SAF) may waive obligation limitation only if necessary to support contingency or humanitarian/peacekeeping operations
- Clause at FAR 52.216-24, Limitation of Government Liability, shall be included in contract document

*See subsequent slide entitled “Contingency Waivers”

Contingency Waivers

- **SAF/AQC letter dated 28 Nov 2001 increases the obligation limitation set forth in DFARS 217.7404-4 and AFFARS 5317.7404-4 for UCAs in support of Operations Enduring Freedom and Noble Eagle:**
 - **50% is increased to 75%**
 - **75% is increased to 90%**
 - **100% obligation may be permitted under “exceptional circumstances”**
- **SAF/AQC letter also permits extension of definitization schedule limitations in DFARS 217.7404-3**
- **SAF/AQC letter should be referenced in the AFMC Form 224 and a copy included in the UCA file**

AFMC Form 224

- **Block by block instructions are posted on the web at <http://pkec.robins.af.mil/pr/undca/undca.htm>**
- **A control number must be obtained from Barbara Grantham/ PKXD/6-3471 and included in Block 1 (not required for FMS acquisitions) prior to coordination; used for quarterly reporting to HQ-AFMC**
- **An Impact Statement shall be prepared/signed by the official responsible for the requirement (usually the program manager)**
- **If receipt of contractor's proposal is anticipated prior to UCA issuance but subsequent to forwarding AFMC 224, Block 37 may include request for approval to increase obligation to 75% upon receipt of proposal (or 90% for contingency)**

AFMC 224 Processing

- AFMC Form 224 and attached impact statement should be secured in standard file folder with routing slip (Optional Form 41) secured to front of folder; recommend signature blocks be “tabbed”
- PKPB review is required for UCA request of \$5M or more
- For AFMC 224 requiring CC approval, the proper routing sequence, after PD coordinations, is: PKP, PK, CD, CV, then CC for approval
- Approved AFMC Form 224 filed at CFCC 33

UCA Contract Clauses

- **FAR 52.216-23, Execution and Commencement of Work** (if not awarding via SF 26)
- **FAR 52.216-24, Limitation of Government Liability**
- **FAR 52.216-25 or DFARS 252.217-7027, Contract Definitization**
- **FAR 52.216-25, Contract Definitization, Alternate I** (if competitive)
- **FAR 52.216-26, Payments of Allowable Costs Before Definitization** (if cost reimbursement)

UCA Contract Clauses

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- **FAR 52.232-16, Progress Payments, Alternate II** (if fixed price and progress payments authorized)
- **FAR 52.244-2 and Alternate I, Subcontracts** (if cost reimbursable and over \$100K)
- **AFMCFARS 5352.219-9001, Submission of Sub-contracting Plan (AFMC)** (if over \$500K and large business)